

The Treasury

Budget 2021 Information Release

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Office of the Minister of Finance

Cabinet

2021 BUDGET TECHNICAL INITIATIVES: FINANCIAL RECOMMENDATIONS

Proposal

1 This submission seeks approval of technical initiatives for Budget 2021.

Relation to Government Priorities

2 This submission concerns technical adjustments to appropriations without significant policy implications and therefore does not impact Government priorities.

Financial Recommendations for Budget 2021

3 For Budget 2021, Cabinet will as usual consider financial recommendations in two tranches:

3.1. financial recommendations for technical initiatives, which do not impact on the allowances or require policy decisions, and

3.2. financial recommendations for significant initiatives, for which new funding is being sought and/or represent significant policy changes.

4 This paper presents the technical financial recommendations for Budget 2021. Technical initiatives are primarily:

4.1. minor changes to scope statements of appropriations

4.2. adjustments that are largely fiscally neutral¹ and that joint Ministers do not have delegated authority to approve in the March Baseline Update (MBU)

4.3. Items that missed MBU.

¹ Adjustments which are not fiscally neutral in the proposed package have no cash impact and therefore have no impact on debt.

5 The technical financial recommendations impact the following Votes:

- 5.1. Arts, Culture and Heritage
- 5.2. Attorney-General
- 5.3. Building and Construction
- 5.4. Business, Science and Innovation
- 5.5. Communications Security and Intelligence
- 5.6. Corrections
- 5.7. Courts
- 5.8. Education
- 5.9. Foreign Affairs
- 5.10. Health
- 5.11. Housing and Urban Development
- 5.12. Internal Affairs
- 5.13. Justice
- 5.14. Labour Market
- 5.15. Lands
- 5.16. Police
- 5.17. Prime Minister and Cabinet
- 5.18. Security Intelligence
- 5.19. Social Development
- 5.20. Tertiary Education
- 5.21. Transport.

6 Overall, these technical changes are fiscally neutral.

Population Implications

7 As the changes proposed in this paper represent minor technical adjustments, namely to the scope and structure of appropriations, no new significant impacts on any population groups are expected.

Consultation

8 This paper was prepared by the Treasury. The technical Budget financial recommendations are based on the Budget technical initiatives that were submitted by appropriation Ministers. All the financial recommendations attached are supported by the Treasury and respective departments.

Communications

- 9 Budget Day is Thursday, 20 May 2021. The Office of the Minister of Finance coordinates all communications relating to Budget 2021, including requests for early announcements arising from Budget decisions. Written approval from the Prime Minister and myself is required for any early announcements.

Proactive Release

- 10 Every year following Budget Day, the Treasury coordinates a proactive release of Budget documents. The aim of this release is to improve transparency of the Budget decision-making process. The 2021 release of documents will include this submission. I will consult with Ministers during the process of the proposed release.

Recommendations

I recommend that Cabinet:

- 1 **agree** to the financial recommendations for the technical Budget initiatives for Budget 2021 as set out in the initiative documents accompanying this paper;
- 2 **authorise** the Minister of Finance and relevant appropriation Ministers to approve changes to technical initiatives and appropriations where this proves necessary to finalise the 2021 Budget package;
- 3 **note** that all communications relating to the 2021 Budget are coordinated by a Budget communications committee, and that any requests for early announcement will need to have both the written approval of the Minister of Finance and sign-off from the Prime Minister's Office; and
- 4 **agree** that until the Appropriation (2021/22 Estimates) Bill is enacted, expenses or capital expenditure against appropriations set out in the 2021/22 Estimates and being sought in that Bill may be met from Imprest Supply.

Authorised for lodgement

Hon Grant Robertson
Minister of Finance